

Please note: These transcripts are not individually reviewed and approved for accuracy.

BEFORE THE
CALIFORNIA INTEGRATED WASTE MANAGEMENT BOARD MARKET
DEVELOPMENT COMMITTEE

IN THE MATTER OF THE:)
)
MARKET DEVELOPMENT)
COMMITTEE MEETING)
_____)

DATE AND TIME: WEDNESDAY, DECEMBER 3, 1997
 9:36 A.M.

PLACE: BOARD HEARING ROOM
 8800 CAL CENTER DRIVE
 SACRAMENTO, CALIFORNIA

REPORTER: MARK BRICKMAN, CSR, RPR
 CERTIFICATE NO. 5527

BRS FILE NO.: 42700

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APPEARANCES MR. PAUL RELIS,
CHAIRMAN MR. WESLEY CHESBRO, MEMBER
MR. DANIEL G. PENNINGTON, MEMBER

STAFF PRESENT

MR. KEITH SMITH, DEPUTY EXECUTIVE OFFICER MS.
KATHRYN TOBIAS, LEGAL COUNSEL

MS. DONNELL DUCLO, COMMITTEE SECRETARY

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1 SACRAMENTO, CALIFORNIA;

2 WEDNESDAY, DECEMBER 3, 1997

3 9:36 A.M.

4

5 CHAIRMAN RELIS: CALL TO ORDER THE MARKET
6 DEVELOPMENT COMMITTEE.

7 DONNELL, WOULD YOU PLEASE CALL THE
8 ROLL?

9 THE SECRETARY: MEMBER PENNINGTON?

10 MEMBER PENNINGTON: HERE.

11 THE SECRETARY: MEMBER CHESBRO.

12 MEMBER CHESBRO: (NOT CURRENTLY PRESENT.)

13 THE SECRETARY: CHAIRMAN RELIS.

14 CHAIRMAN RELIS: HERE.

15 OKAY. ANY EX-PARTE BUSINESS?

16 MEMBER PENNINGTON: NOT FOR ME, MR.

17 CHAIRMAN.

18 CHAIRMAN RELIS: OKAY. WE'LL THEN ASK FOR
19 THE MARKET DEVELOPMENT COMMITTEE REPORT.

20 MS. BROW: YES. MR. CHAIRMAN, MR.

21 PENNINGTON, I'M CAROL BROW. I'M STANDING IN FOR

22 CAREN TRGOVCICH TO DO THE DEPUTY DIRECTOR'S REPORT

23 TODAY.

24 THIS MONTH'S DEPUTY DIRECTOR'S REPORT
25 COVERS ACTIVITY IN THE AREA OF PRIVATE BIORECYCLED

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1 PROGRAM, MARKET DEVELOPMENT, UTILIZATION RATE
2 EFFORTS, EQUAL INDUSTRIAL PARK DEVELOPMENT, AND THE
3 USUAL LOAN PROGRAM INFORMATION.

4 REGARDING THE PRIVATE BIORECYCLED
5 PROGRAM, AS PART OF THE NORTHERN CALIFORNIA
6 RECYCLED PAPER COALITION AND MODEL GREEN BUILDING
7 PROJECT, BIORECYCLED SECTION STAFF HELPED ARRANGE
8 AND ATTEND A KICKOFF PRESS EVENT TO PUBLICIZE THE
9 EXPANSION OF THE MONEY STORE'S RECYCLING PROGRAM.

10 A NUMBER OF LOCAL ELECTED OFFICIALS
11 WERE THERE. BOARD MEMBER JONES MADE PRESENTATIONS
12 TO MANY STORE EMPLOYEES AND OTHERS ATTENDING THE
13 EVENTS, IN ADDITION TO SOME REALLY NEAT RAFFLE
14 PRIZES WHICH WAS REALLY NICE TO SELL.

15 THE MONEY STORE DISTRIBUTED NOTEPADS
16 MADE FROM OLD U.S. CURRENCY. THE MONEY STORE'S CAO
17 STATED THAT THIS WAS THE CLOSEST WE'D EVER GET TO A
18 FREE SAMPLE.

19 IN THE AREA OF COMPOST MARKET
20 DEVELOPMENT, QUITE A BIT OF ACTIVITY IS GOING ON.
21 THIS MONTH STAFF EXPECTS TO TEST MARKET THE
22 COMPLETED AGRICULTURAL COMPOST DEMONSTRATIONS.
23 EXCUSE ME. SKIPPED A LINE.

24 THIS MONTH STAFF EXPECTS TO TEST
25 MARKET THE 20-MINUTE VIDEO "TWO THUMBS UP,"

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1 DOCUMENTING THE BOARD'S FIVE COMPLETED AGRICULTURAL
2 DEMONSTRATIONS, COMPOST DEMONSTRATIONS.

3 ABOUT 60 ORGANIZATIONS AND STAFF WILL
4 RECEIVE COPIES OF THE VIDEO. THESE INCLUDE THE
5 CALIFORNIA FARM BUREAU, THE COMMUNITY ALLIANCE FOR
6 FAMILY FARMERS, THE COOPERATIVE EXTENSION SERVICE,
7 THE COMPOSTING COUNCIL, THE USDA NATURAL RESOURCES
8 CONSERVATION SERVICE, AND PARTICIPANTS IN THE
9 COMPOST DEMONSTRATIONS.

10 STAFF IS INVESTIGATING THE
11 FEASIBILITY OF PRODUCING SHORTER NEWS -- VIDEO NEWS
12 RELEASES WHICH ARE CALLED VNRS. THESE WILL BE 30,
13 60 AND 90-SECOND SPOTS FOR TV AND PUBLIC SERVICE
14 ANNOUNCEMENTS. THESE VNR'S AND PSA'S COULD BE
15 DISTRIBUTED TO NEWS ORGANIZATIONS THROUGHOUT
16 CALIFORNIA TO PRODUCE -- TO PROMOTE THE USE OF
17 COMPOST AND MULCH IN AGRICULTURE.

18 BUY RECYCLED SECTION STAFF ALONG WITH
19 BOARDMEMBER RELIS ATTENDED A MEETING TO REPORT ON
20 THE BENEFITS OF USING MULCH IN COMPOST AND CITRUS
21 ORCHARDS TO ENHANCE MULCH AND PREVENT ROOT ROT.

22 THIS EVENT HELD AT THE MATT MALONE
23 RANCH IN POWAY COULD ONLY BE DESCRIBED AS A
24 SMASHING SUCCESS. OVER 60 PEOPLE, MOSTLY AVOCADO
25 AND CITRUS GROWERS, BRAVED A DOWNPOUR AND NEAR

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1 FREEZING TEMPERATURES TO LISTEN TO PRESENTATIONS
2 AND WATCH THE BOARD'S NEW COMPOST VIDEO IN AN OPEN
3 BARN.

4 ADDITIONALLY, THERE WAS A
5 DEMONSTRATION OF THE PNEUMATIC MULCH SPREADER
6 PURCHASED BY THE COUNTY FOR OUR PROJECT.

7 BASED ON THE INTEREST AND ATTENDANCE
8 AT THIS MEETING, STAFF FEELS SIGNIFICANT HEADWAY IS
9 BEING MADE IN THE ACCEPTANCE OF USE OF MULCH ON
10 THESE CROPS.

11 REGARDING THE PAPER UTILIZATION RATE
12 EFFORTS, WE WILL BE HOLDING THREE PAPER SES --
13 FORUM SESSIONS AS THE COMMITTEE REQUESTED. THESE
14 WILL BE ON THE 15TH AND 16TH OF THIS MONTH.

15 THE PURPOSE IS TO DISCUSS HOW TO
16 IMPROVE THE BOARD'S PAPER UTILIZATION RATE
17 CALCULATION METHOD AND HOW TO INCREASE PAPER
18 RECOVERY AND DECREASE PAPER GENERATION IN
19 CALIFORNIA.

20 WE HAVE A NEW EFFORT GOING ON IN THE
21 AREA OF ECO-INDUSTRIAL PARK DEVELOPMENT. JOHN
22 SMITH ATTENDED A WORKSHOP IN OAKLAND WHERE
23 PERSONNEL FROM A VARIETY OF PUBLIC AND PRIVATE
24 RECYCLING GROUPS, INCLUDING WASTE MANAGEMENT,

WERE

25 CONVENED TO DISCUSS THE CONCEPT OF ECO-INDUSTRIAL

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1 PARKS, SPECIFICALLY THE ONE PROPOSED AT THE DAVIS
2 STREET TRANSFER AND WASTE PROCESSING SITE.

3 AT THE MEETING, SOME NEXT STEPS WERE
4 IDENTIFIED TO MOVE THE PROJECT ALONG. THE RESULT
5 WAS SOME GOOD NEWS.

6 THE FIRST INDUSTRIAL PARTNER IS
7 SCHEDULED TO BEGIN WORK IN EARLY 1998. THEY ARE A
8 CRUMB-RUBBER FACILITY CURRENTLY PRODUCING A NUMBER
9 OF TIRE RELATED PROJECTS.

10 THE BOARD COMMITTED TO IDENTIFY
11 POSSIBLE FUNDING OPTIONS, BOTH -- FROM BOTH INSIDE
12 AND OUTSIDE THE BOARD AND TO PROVIDE A VARIETY OF
13 TECHNICAL ASSISTANCE AND ACTIVITIES.

14 FINALLY, REGARDING THE LOAN FUND
15 STATUS, AS OF NOVEMBER 30TH, 57 LOANS HAVE BEEN
16 CLOSED IN THE AMOUNT OF \$23.9 MILLION. AN
17 ADDITIONAL FIVE ACTIVE LOAN APPLICATIONS IN THE
18 AMOUNT OF 3.2 MILLION HAVE BEEN APPROVED BY THE
19 BOARD, BUT ARE NOT YET CLOSED.

20 APPROXIMATELY 18.4 MILLION OF RMDZ
21 LOAN FUNDS REMAIN FOR THIS FISCAL YEAR. THIS
22 INCLUDES \$350,000 OF TIRE FUNDS.

23 DURING THE MONTH OF DECEMBER, STAFF
24 ESTIMATES -- ESTIMATES THAT IT WILL CLOSE THREE
25 LOANS TOTALING 1.9 MILLION. ONE LOAN TO PAUL T.

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1 BECK WAS PAID OFF EARLY. THIS MEANS THAT THERE
2 HAVE BEEN SIX LOANS TOTALING 1.9 MILLION WHICH HAVE
3 PAID OFF EARLY SINCE THE PROGRAM BEGAN, AND THAT
4 CONCLUDES THE REPORT.

5 CHAIRMAN RELIS: OKAY. ANY QUESTIONS?

6 I WILL VOUCH THAT IT RAINED THE WHOLE
7 TIME AT THE MATT MALONE RANCH. I THINK FREEZING IS
8 MAYBE A BIT OF AN EMBELLISHMENT, BUT IT WAS IN AN
9 OPEN BARN AND -- AND UNDER TRUE FARM CONDITIONS
10 THAT WE WERE -- WE WERE MEETING.

11 MEMBER CHESBRO: FOR THE RECORD, I'M HERE.

12 CHAIRMAN RELIS: MR. CHESBRO, DO YOU HAVE
13 ANY EX PARTES?

14 MEMBER CHESBRO: NO.

15 CHAIRMAN RELIS: SO WE'VE HEARD THE
16 REPORT. WE'LL NOW PROCEED WITH OUR ITEM,
17 CONSIDERATION OF OPTIONS TO IMPROVE TIMELINESS OF
18 NEWSPRINT CONSUMER CERTIFICATION.

19 MS. BROW: MR. CHAIRMAN, RICK MUELLER WILL
20 MAKE THE PRESENTATION AND I BELIEVE TOM NEWTON FROM
21 THE CNPA IS HERE. I DON'T KNOW IF HE WANTS TO
22 SPEAK OR NOT.

23 CHAIRMAN RELIS: YES, I HAVE A SLIP FROM
24 MR. NEWTON.

25 MR. MUELLER: GOOD MORNING, MR. CHAIRMAN

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1 AND COMMITTEE MEMBERS. FOR THE RECORD, MY NAME IS
2 RICK MUELLER, AND I'M CURRENTLY THE LEAD FOR THE
3 RECYCLED-CONTENT NEWSPRINT PROGRAM.

4 THIS AGENDA ITEM IS REALLY A FOLLOW-UP
5 TO THE PRESENTATION THAT I MADE TO THE COMMITTEE IN
6 OCTOBER CONCERNING THE STATUS REPORT FOR THE
7 RECYCLED-CONTENT NEWSPRINT PROGRAM.

8 ONE OF THE ISSUES IDENTIFIED IN THE
9 STATUS REPORT WAS THE HIGH NUMBER OF LATE AND
10 DELINQUENT NEWSPRINT CONSUMER CERTIFICATIONS FOR
11 THE 1996 REPORTING YEAR. AT THAT TIME STAFF
12 CONCLUDED THAT THE PROBLEM OF LATE CERTIFICATIONS
13 REPRESENTED AN AREA OF CONCERN RELATED TO INDUSTRY
14 COMPLIANCE, BUT STAFF DID NOT RECOMMEND INDUSTRY
15 AUDITS OR ENFORCEMENT ACTION AT THAT TIME.

16 HOWEVER, COMMITTEE CONSIDERATION ON
17 THE MATTER WAS DEFERRED TO ALLOW STAFF TIME TO
18 RESEARCH THE ALTERNATIVES OR THE OPTIONS THAT ARE
19 AVAILABLE TO THE BOARD AND ALSO TO HAVE DISCUSSIONS
20 WITH INDUSTRY ASSOCIATIONS.

21 IN A NUTSHELL, I THINK THE PROBLEM
22 CAN BE DEFINED AT LEAST -- AT LEAST FOR 1996 CAN BE
23 DEFINED AS FOLLOWS: THERE WERE 59 LATE NEWSPRINT
24 CONSUMER CERTIFICATIONS FOR THE '96 REPORTING YEAR,
25 AND DESPITE THE EFFORTS OF BOARD STAFF, 51 OF THOSE

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1 REPORTS WERE RECEIVED OVER 45 DAYS LATE. THEY'RE
2 DUE MARCH 1ST OF EACH YEAR.

3 THE EFFORT TO FOLLOW UP ON THESE LATE
4 CERTIFICATIONS IS VERY LABOR INTENSIVE AND STAFF
5 ESTIMATED THAT OVER ONE HUNDRED HOURS OF STAFF TIME
6 WERE REQUIRED TO COMPLETE THE VARIOUS FOLLOW-UP
7 ACTIONS TO BRING THESE CERTIFICATIONS IN ON TIME.

8 BOARD STAFF LOOKED AT THREE BASIC
9 OPTIONS AVAILABLE TO THE BOARD, WHICH ARE AS
10 FOLLOWS: MAINTAIN THE STATUS QUO. THE SECOND ONE
11 IS PURSUE ENFORCEMENT OPTIONS, INCLUDING DEVELOPING
12 A REGULATORY FRAMEWORK FOR FINING LATE FILERS. THE
13 THIRD OPTION, ENCOURAGE FOLLOW-UP EFFORTS BY
14 INDUSTRY TRADE ASSOCIATIONS TO INFLUENCE MEMBERS.

15 I'D LIKE TO COVER THESE BRIEFLY. THE
16 FIRST OPTION, MAINTAIN THE STATUS QUO DOESN'T
17 MEAN THAT WE DO NOTHING. AS I MENTIONED, STAFF HAS
18 A PROGRAM FOR DEALING WITH LATE CERTIFIERS.
19 BASICALLY WE MAKE A SERIES OF TELEPHONE CALLS
20 AFTER THE MARCH 1ST DEADLINE IS UP. IF THIS
21 DOESN'T WORK, WITHIN A MONTH OR SO, WE SEND OUT
22 ENFORCEMENT LETTERS, AND WE HAVE ON OCCASION
23 CONTACTED INDUSTRY ASSOCIATIONS AND REQUESTED THAT
24 THEY PUBLISH ARTICLES IN INDUSTRY NEWSLETTERS.
25 HOWEVER, THIS HASN'T BEEN A CONCERTED PUBLIC

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1 RELATIONS EFFORT ON THE PART OF THE ASSOCIATIONS.

2 THIS ISN'T SIMPLY A PROBLEM WHICH
3 OCCURRED IN 1996. IT'S BEEN A -- IT'S BEEN
4 CHRONIC. IT'S OCCURRED IN OTHER YEARS AS WELL, AND
5 IT DOESN'T APPEAR THAT OUR CURRENT EFFORTS ARE --
6 ARE HAVING AN IMPACT. IF ANYTHING, THE PROBLEM
7 IS -- IS GETTING WORSE. IT CERTAINLY ISN'T GETTING
8 ANY BETTER. SO FOR THAT REASON, STAFF HAS
9 CONCLUDED THAT WHAT WE'RE DOING NOW SIMPLY ISN'T --
10 ISN'T EFFECTIVE.

11 THE SECOND OPTION, PURSUE ENFORCEMENT
12 OPTIONS AND/OR INSTITUTE AN INDUSTRY AUDITING
13 PROGRAM. I'D LIKE TO TALK A LITTLE BIT ABOUT
14 AUDITS FIRST.

15 THERE IS AN ESTABLISHED POLICY WHICH
16 REQUIRES STAFF TO CONSIDER INDUSTRY -- OR TO
17 CONSIDER LATE CERTIFICATIONS IN EVALUATING THE NEED
18 FOR INDUSTRY AUDITS, AND THIS -- THE AUTHORITY TO
19 DO AUDITING IS FOUND IN THE PUBLIC RESOURCES CODE
20 42771 WHERE THE BOARD HAS THE AUTHORITY TO AUDIT
21 FOR THE PURPOSE OF INSURING THAT RECYCLED CONTENT
22 WAS USED.

23 AS SUCH, THE AUDITING AUTHORITY DOES
24 NOT APPEAR TO BE INTENDED AS AN ENFORCEMENT TOOL
25 FOR THIS PURPOSE, AND IT APPEARS -- OR STAFF HAVE

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1 CONCLUDED THAT AUDITING WOULD NOT BE THE MOST
2 DIRECT OR EFFECTIVE APPROACH FOR ADDRESSING THE
3 PROBLEM. HOWEVER, THERE ARE TWO ENFORCEMENT
4 ACTIONS WHICH STAFF CONSIDERS WOULD BE APPROPRIATE
5 TO REDUCE LATE CERTIFICATIONS.

6 THE FIRST ONE IS FOUND IN THE PUBLIC
7 RESOURCES CODE 42790, AND THIS STATUTE PROVIDES FOR
8 CRIMINAL OR QUASI-CRIMINAL PENALTIES AGAINST
9 NEWSPRINT CONSUMERS THAT FAIL TO MEET THE
10 CERTIFICATION REQUIREMENTS. BASICALLY FINES CAN BE
11 IMPOSED FOR UP TO \$1,000 FOR EACH INFRACTION.
12 HOWEVER, THE FINES MUST BE -- OR THE ENFORCEMENT
13 MUST BE ENFORCED BY THE STATE ATTORNEY GENERAL'S
14 OFFICE OR A LOCAL DISTRICT ATTORNEY AT THE
15 RECOMMENDATION OF THE BOARD.

16 PERHAPS A MORE PRACTICAL ENFORCEMENT
17 APPROACH CAN BE FOUND IN PRC SECTION 42791, WHICH
18 PROVIDES THAT THE BOARD MAY IMPOSE A CIVIL PENALTY
19 OF UP TO \$1,000 FOR EACH VIOLATION WHEN A NEWSPRINT
20 CONSUMER OR SUPPLIER FAILS TO CERTIFY OR FAILS TO
21 MEET THE NEWSPRINT CERTIFICATION REQUIREMENTS.
22 THIS PROCEDURE WOULD REQUIRE A FORMAL NOTICE TO THE
23 DELINQUENT CONSUMER AND ALSO A PUBLIC HEARING.

24 OUR LEGAL STAFF -- OUR LEGAL OFFICE
25 HAS REVIEWED THE -- THE ENFORCEMENT OPTIONS AND

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1 THEY HAVE CONCLUDED THAT THE BOARD WOULD FIRST NEED
2 TO PROMULGATE REGULATIONS IN ORDER TO ESTABLISH A
3 STRUCTURED ENFORCEMENT POLICY IF WE WANT TO GO
4 BEYOND CASE-BY-CASE ENFORCEMENT.

5 THIS STRUCTURED POLICY WOULD ESTABLISH
6 LEVELS OF ENFORCEMENT AND A FRAMEWORK OF PROCEDURES
7 AND CRITERIA NEEDED IN ASSESSING PENALTIES FOR LATE
8 CERTIFIERS. SINCE THE TOTAL STAFF TIME REQUIRED TO
9 COMPLETE RULEMAKING WOULD BE SIGNIFICANT, THE BOARD
10 STAFF RECOMMENDS THAT THIS OPTION SHOULD BE
11 SELECTED -- SHOULD NOT BE SELECTED UNTIL ALL VIABLE
12 VOLUNTARY EFFORTS ARE EXHAUSTED.

13 AND THE THIRD OPTION INVOLVES
14 VOLUNTARY EFFORTS BY TRADE ASSOCIATIONS. THE
15 CALIFORNIA NEWSPAPER PUBLISHER'S ASSOCIATION,
16 CNPA, AND THE PRINTING INDUSTRIES OF CALIFORNIA
17 ASSOCIATION HAVE BOTH OFFERED TO DEVELOP AND
18 IMPLEMENT PUBLIC RELATIONS EFFORTS DIRECTED WITHIN
19 THEIR RESPECTIVE INDUSTRIES TO REDUCE THE NUMBER
20 OF
20 LATE CERTIFIERS.

21 SPECIFIC EFFORTS AS DISCUSSED WITH
THE
22 ASSOCIATIONS WOULD INVOLVE PUBLISHING ARTICLES IN
23 THEIR VARIOUS ASSOCIATION NEWSLETTERS, SPECIAL
24 BULLETINS, ANNOUNCEMENT -- ANNOUNCEMENTS AT

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25 INDUSTRY MEETINGS. AND FOR CERTIFICATIONS THAT
ARE

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1 STILL LATE, THEY WOULD -- THEY HAVE AGREED TO MAKE
2 SPECIAL TELEPHONE CONTACTS TO TRY TO BRING -- TO
3 TRY TO BRING THE LATE CERTIFICATIONS IN IN A MORE
4 TIMELY MANNER.

5 IN OTHER WORDS, WE WOULD TRY TO AVOID
6 THE VERY LATE CERTIFICATIONS, OVER 45 DAYS LATE.
7 CONSUMERS OF NEWSPR -- BASICALLY THIS WOULD
8 BENEFIT THE BOARD BECAUSE THE -- THE MESSAGE WOULD
9 BE BROADER THAN JUST THE ISSUE OF LATE
10 CERTIFICATIONS. THE MESSAGE WOULD BE BASICALLY
11 THAT CONSUMERS OF NEWSPRINT MUST MAKE A CONCERTED
12 EFFORT TO INCREASE THEIR USE OF RECYCLED CONTENT
13 NEWSPRINT AND ALSO TO CER -- TO CERTIFY IN A TIMELY
14 MANNER.

15 SO BOARD STAFF CONSIDERS THAT
16 VOLUNTARY EFFORTS BY TRADE ASSOCIATIONS IS A VIABLE
17 OPTION WHICH IS AVAILABLE TO THE BOARD, AND WE
18 THINK THAT THE POTENTIAL FOR SUCCESS IN THIS EFFORT
19 WOULD BE VERY GOOD. AND AS I MENTIONED, THE PUBLIC
20 RELATIONS EFFORTS WOULD ALSO SERVE TO RAISE
21 INDUSTRY AWARENESS CONCERNING THE GOALS AND
22 BENEFITS OF THE RECYCLED CONTENT LAW.

23 I'D LIKE TO MAKE A FORMAL STAFF
24 RECOMMENDATION AT THIS TIME. IT'S A TWO-PART
25 RECOMMENDATION. THE FIRST PART IS STAFF
RECOMMENDS

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1 THAT THE COMMITTEE APPROVE AND FORWARD TO THE FULL
2 BOARD RESOLUTION 97-525, WHICH DIRECTS STAFF TO
3 PURSUE VOLUNTARY EFFORTS TO REDUCE THE LATE FILING
4 OF NEWSPRINT CONSUMER CERTIFICATIONS.

5 STAFF BE -- BELIEVES THAT THE
6 CALIFORNIA NEWSPAPER PUBLISHER'S ASSOCIATION AND
7 THE PRINTING INDUSTRIES OF CALIFORNIA ASSOCIATION
8 SHOULD BE ALLOWED AN OPPORTUNITY TO CONDUCT PUBLIC
9 RELATIONS EFFORTS WITHIN THEIR RESPECTIVE
10 INDUSTRIES TO PROMOTE THE GOALS AND REQUIREMENTS OF
11 THE RECYCLED CONTENT LAW, INCLUDING TIMELY
12 CERTIFICATION.

13 THE SECOND PART OF THE RECOMMENDATION
14 IS AS FOLLOWS: STAFF FURTHER RECOMMENDS THAT THE
15 EFFECTIVENESS OF THE VOLUNTARY EFFORTS SHOULD BE
16 EVALUATED DURING 1998 AND THE RESULTS REPORTED TO
17 THE COMMITTEE DURING THE ANNUAL NEWSPRINT
18 CERTIFICATION PROGRAM STATUS REPORT. THIS REPORT
19 USUALLY OCCURS IN SEPTEMBER OF EACH YEAR. IF THE
20 VOLUNTARY EFFORTS PROVE TO BE INEFFECTIVE, THE
21 COMMITTEE MAY DETERMINE WHETHER ENFORCEMENT ACTION
22 IS WARRANTED AT THAT TIME.

23 THAT BASICALLY CONCLUDES MY
24 PRESENTATION. I'D BE HAPPY TO ANSWER ANY QUESTIONS
25 IF THERE ARE ANY.

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1 CHAIRMAN RELIS: QUESTIONS?

2 I'D JUST LIKE TO OFFER A BRIEF
3 COMMENT. WE'VE HAD A -- A GOOD RUN, I THINK, WITH
4 THE CNPA OVER THE YEARS AND WITH THE WHOLE INDUSTRY
5 ON GENERAL COMPLIANCE. WE ARE CONCERNED THAT WE
6 MIGHT BE FALLING BACK A BIT AT -- THE TIMELINESS OF
7 GETTING -- THIS MATERIAL, I KNOW, IS OF ISSUE FOR
8 BOTH THE STAFF AND THE BOARD, SO THESE LATE FILINGS
9 AFTER PRODDINGS OCCUPIES A TERRIFIC AMOUNT OF
10 STAFF TIME, AND WE FRANKLY, FROM MY PERSPECTIVE,
11 WOULD NOT LIKE TO SEE -- DON'T WANT TO SEE THIS
12 CONTINUED, AND I'M FULLY IN AGREEMENT WITH THE
13 STAFF RECOMMENDATION.

14 I WOULD JUST LIKE TO SEE US AND ASK
15 MR. NEWTON -- I KNOW HE IS HERE TODAY AND HE'S
16 SUBMITTED A SLIP, BUT I'D LIKE TO SEE US LOOK FOR A
17 HUNDRED PERCENT -- A HUNDRED PERCENT REDUCTION IN
18 THE NUMBER OF LATE CERTIFICATIONS WORKING WITH CNPA
19 AND THE PRINTING INDUSTRIES OF CALIFORNIA, THE
20 ASSOCIATION THERE, SO THAT WE REALLY SET OURSELVES
21 A HIGH -- A HIGH STANDARD FOR THIS COMING YEAR,
22 AND I WONDERED, MR. NEWTON, COULD YOU RESPOND TO
23 THAT DIRECTION?

24 DO YOU THINK YOU COULD -- YOUR
25 INDUSTRY COULD DELIVER ON THIS?

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1 MR. NEWTON: TOM NEWTON, CALIFORNIA
2 NEWSPAPER PUBLISHER'S ASSOCIATION.

3 A HUNDRED PERCENT, PROBABLY NOT, BUT I
4 THINK WE CAN DO OUR BEST.

5 PUBLISHERS -- SOME OF OUR OPERATIONS
6 ARE FIVE- TO TEN-EMPLOYEE OPERATIONS AND SOME OF
7 THEM ARE 5,000-EMPLOYEE OPERATIONS. THE SMALLEST
8 AND THE LARGEST NEWSPAPER -- NEWSPAPERS IN THE
9 STATE ARE REPRESENTED BY CNPA.

10 PUBLISHERS ARE BUSY, DISTRACTED PEOPLE
11 AND, YOU KNOW, WE CAN DO OUR BEST. A LOT OF TIMES
12 YOU'RE ALL -- YOUR IN BOXES, I'M SURE, ARE SO HUGE
13 SOMETIMES, IT'S VERY DIFFICULT TO READ EVERYTHING,
14 INCLUDING SOME OF THE INDUSTRY BULLETINS THAT YOU
15 MAY RECEIVE. I'M SURE THAT'S THE CASE WITH OUR
16 BULLETIN.

17 I THINK THE -- THE THING THAT WE CAN
18 DO -- AND THAT WAS WHOLEHEARTEDLY ENDORSED BY OUR
19 BOARD OF DIRECTORS AT OUR OCTOBER BOARD MEETING --
20 WAS GET ON THE PHONE, AND AT THE DIRECTION OF RICK,
21 WHO HOPEFULLY WILL BE ABLE TO IDENTIFY THE ACTUAL
22 PERSON WHO IS FILING THE FORM, BECAUSE
23 I DON'T KNOW THAT MYSELF IN MANY CASES, WE'LL
24 JUST -- WE'LL CALL THEM AND -- AND HOPEFULLY GET
25 THEM IN WELL BEFORE THE 45-DAY PERIOD AFTER IT IS

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1 DETERMINED THAT THEY -- THEY ARE INDEED LATE.

2 A HUNDRED PERCENT'S A GOOD GOAL AND
3 WE'LL DO OUR BEST.

4 I DO HAVE ONE OTHER COMMENT I WOULD
5 LIKE TO MAKE.

6 CHAIRMAN RELIS: YES, PLEASE.

7 MR. NEWTON: I DIDN'T COME TO THE LAST
8 MEETING; MY COLLEAGUE JIM EWERT DID, AND HE
9 REPORTED BACK TO ME AND TO THE BOARD THAT IT WAS A
10 VERY GOOD MEETING AND THAT THE COMMITTEE APPEARED
11 TO BE UNANIMOUSLY LEANING TOWARD SOME SORT OF A --
12 A PR CAMPAIGN, A VOLUNTARY ATTEMPT BY JIMMY
13 BENETO'S PRINTING INDUSTRY OF CALIFORNIA AND CNPA
14 IN ORDER TO -- TO SOLVE THIS PROBLEM, AND THAT
15 CERTAINLY WAS OUR INTENT AND WE THOUGHT THAT
16 WE
17 WERE ON THE RIGHT TRACK THERE.

18 WENT TO THE BOARD MEETING AND
19 REPORTED

20 THAT TO OUR MEMBERS, AND THEY WERE PLEASED
21 THAT WE

22 WERE GOING TO HAVE THE OPPORTUNITY TO DO THIS.
23 THE

24 CHAIRMAN OF OUR GOVERNMENTAL AFFAIRS COMMITTEE
25 WAS

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21 QUITE PERPLEXED AS TO WHY ANYBODY WOULD BE
LATE IN

22 FILING THIS RATHER BRIEF, RELATIVELY EASY
FORM, AND

23 HE WAS -- SURPRISED IS NOT STRONG ENOUGH. HE
WAS

24 ANGRY THAT SOME OF OUR MEMBERS WOULD BE
25 JEOPARDIZING THE GOOD RELATIONSHIP THAT WE
HAVE

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1 WITH THE BOARD, AND THERE WAS A VERY BRIEF
2 DISCUSSION ABOUT IT BECAUSE IT WAS A SLAM DUNK
3 THAT -- THAT WE WOULD DO OUR BEST TO TURN THIS
4 AROUND, INCLUDING CALLING FOLKS WHO AREN'T
5 COMPLYING.

6 I GOT BACK FROM THE BOARD MEETING ON
7 MONDAY AND WAS REALLY QUITE SURPRISED TO SEE THIS
8 PRESS RELEASE DATED OCTOBER 22ND WHERE THE LEAD
9 SAYS THAT THE INTEGRATED WASTE MANAGEMENT BOARD
10 SAID TODAY IT WILL CONSIDER HOW TO TAKE ENFORCE-
11 MENT ACTIONS AGAINST NEWSPAPER PUBLISHERS AND
12 PRINTERS DELINQUENT.

13 IT KIND OF --

14 CHAIRMAN RELIS: YES.

15 MR. NEWTON: -- TO ME DIDN'T HAVE ANY
16 CONNECTION WITH WHAT ACTUALLY HAPPENED AT THE
17 MEETING.

18 IT WASN'T ACCURATE REPORTING OF WHAT
19 HAPPENED AT THE MEETING, AND I WAS VERY PLEASED
20 LATER THAT IN THE BOARD'S -- THE WASTEWATCHER
21 NEWSLETTER, THEY APPEARED TO GET IT RIGHT AND
22 INDICATED THAT AT LEAST AT THAT MEETING THERE WAS
23 AN AGREEMENT OR A -- A DIRECTION TO WORK TOGETHER
24 ON THE ISSUE.

25 I UNDERSTAND THAT THIS RELEASE IS

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1 DISTRIBUTED QUITE WIDELY TO THE VERY MEMBERS THAT
2 WE JUST TOLD -- INFORMED THAT WE HAD THE ISSUE
3 UNDER CONTROL, AND TO THE EXTENT THEY EVER READ IT,
4 WHICH IS KIND OF DOUBTFUL, I THINK THEY'D BE QUITE
5 SURPRISED AND PERPLEXED IN QUESTIONING WHETHER
6 THEIR STAFF HAD GIVEN THEM THE RIGHT INFORMATION.

7 SO I DON'T KNOW WHAT TO SAY ABOUT THIS
8 OTHER THAN THE IDEA THAT THIS MAY BE SOME SORT OF
9 POETIC JUSTICE AND THAT WE REACH OUT AND BITE
10 PEOPLE ALL THE TIME. THOSE ARE MY COMMENTS ON IT
11 AND I WAS VERY PLEASED THAT THE -- THERE WAS
12 ANOTHER PUBLICATION THAT APPEARED TO GET IT -- TO
13 GET IT RIGHT.

14 CHAIRMAN RELIS: I WOULD AGREE WITH YOU
15 THAT THAT RELEASE DID NOT CAPTURE THE MEETING.
16 FORTUNATELY --

17 MEMBER PENNINGTON: IT WAS TAKEN OUT OF
18 CONTEXT.

19 MEMBER CHESBRO: FORTUNATELY THERE ARE
20 SEVERAL LAYERS OF PROTECTION AND THE ERSTWHILE
21 PUBLISHERS AND THE EXCELLENT EDITORS AND REPORTERS
22 THEY'VE HIRED CAN GET TO THE BOTTOM OF WHETHER
23 THEY'VE GOT COMPLETE AND ACCURATE INFORMATION.

24 MR. NEWTON: WE NEVER JUST PUBLISH THESE
25 PRESS RELEASES, ANYWAY.

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1 CHAIRMAN RELIS: WE KNEW THAT WAS THE
2 CASE.

3 MR. NEWTON: ONE FINAL --

4 MEMBER PENNINGTON: WE WERE TAKEN OUT OF
5 CONTEXT.

6 MR. NEWTON: -- SMALL POINT.

7 IN THIS PRESS RELEASE, IT INDICATES
8 THAT THERE WAS ONE MAJOR SUPPLIER OF NEWSPRINT
9 WHICH STOPPED MAKING RECYCLED NEWSPRINT WHICH
10 CAUSED THE TOTAL NUMBER TO GO DOWN SLIGHTLY UNDER
11 THE 50-PERCENT POINT. IN REALITY, THEY STOPPED
12 MAKING 40-PERCENT NEWSPRINT AND THEY DIDN'T MAKE
13 ANY NEWSPRINT I THINK THAT WAS PURCHASED BY OUR
14 MEMBERS THAT WAS UNDER 25 PERCENT RECYCLED CONTENT
15 NEWSPRINT. AND SO OUR MEMBERS WERE STILL USING
16 RECYCLED CONTENT NEWSPRINT, JUST NOT NEWSPRINT THAT
17 REACHED THE 40 PERCENT DEFINITION ESTABLISHED IN
18 THE PUBLIC RESOURCES CODE.

19 SO THAT'S ALSO -- COULD HAVE BEEN, I
20 THINK, BETTER EXPLAINED. THANKS FOR YOUR TIME, AND
21 BY THE WAY, WE WHOLEHEARTEDLY ENDORSE THE
22 RESOLUTION.

23 CHAIRMAN RELIS: DO WE HAVE A MOTION?

MEMBER PENNINGTON: SURE, I'LL MOVE.

MEMBER CHESBRO: SECOND.

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CHAIRMAN RELIS: THE RESOLUTION IS --

MEMBER PENNINGTON: THIS DOES NOT AFFECT
WHAT WE'RE DOING WITH THIS ONE DELINQUENT GROUP?

CHAIRMAN RELIS: NO. THAT'S A SEPARATE
ENFORCEMENT ACTION. SO THE RESOLUTION HAS BEEN
MOVED AND SECONDED. DID I HEAR A SECOND?

MEMBER CHESBRO: YES.

CHAIRMAN RELIS: OKAY. WE'LL CALL THE
ROLL.

THE SECRETARY: MEMBER PENNINGTON?

MEMBER PENNINGTON: AYE.

THE SECRETARY: MEMBER CHESBRO?

MEMBER CHESBRO: AYE.

THE SECRETARY: CHAIRMAN RELIS?

CHAIRMAN RELIS: AYE.

ANY OPEN BUSINESS HERE TO DEAL WITH?
YES. CONSENT?

MEMBER PENNINGTON: YES.

CHAIRMAN RELIS: THAT CONCLUDES OUR
BUSINESS FOR TODAY. WE'RE ADJOURNED.

(THE MEETING CONCLUDED AT 10:02 A.M.)

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